

NEWPORT LEGACY ZURICH SWITZERLAND: FOUR IN 10 UK FIRMS TO TRIGGER CONTINGENCY PLANS NEXT MONTH IF NO CLARITY ON EXIT DEAL EMERGES

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Four in 10 UK companies say they will be forced to trigger further contingency plans as soon as next month if Theresa May's Brexit team does not provide more clarity on a potential divorce deal with the EU.

Those plans include cutting jobs, adjusting supply chains outside the UK, stockpiling goods and relocating production and services overseas.

Of those with contingency plans 44 per cent say they will stockpile goods in anticipation of delays at the border after Brexit.

No-deal Brexit could see traders skip UK entirely, Stena Line warns

A survey of small and large UK companies by the Confederation of British Industry found that 80 per cent of firms believe Brexit has already had a negative effect on investment decisions.

This reluctance to invest is likely to have a knock-on effect for jobs, wages and living standards and could further damage UK productivity

which already lags behind many other developed economies, the CBI warned.

The latest research further highlights the critical need for progress in the Brexit negotiations and comes as the prospect of no deal being agreed in time looms larger than ever.

The EU's chief negotiator Michel Barnier said on Friday that a deal could still be sunk at the last minute by the Irish border issue, despite 90 per cent of terms being agreed.

Speaking after a summit in Brussels where EU leaders discussed progress in talks, Michel Barnier said he was "still not sure we'll get" a withdrawal agreement.

Carolyn Fairbairn, CBI director-general, warned that the situation was now urgent and that "the speed of negotiations is being outpaced by the reality firms are facing on the ground".

Almost a fifth of firms have said they have already been forced to trigger contingency plans and many more are readying themselves for a no-deal scenario.

"Unless a withdrawal agreement is locked down by December, firms will press the button on their contingency plans. Jobs will be lost and supply chains moved," Ms Fairburn said.

"The knock-on effect for the UK economy would be significant. Living standards would be affected and less money would be available for vital public services including schools, hospitals and housing.

"Uncertainty is draining investment from the UK, with Brexit having a negative impact on 8 in 10 businesses.

“From a multinational plastics manufacturer which has cancelled a £7m investment, to a fashion house shelving £50m plans for a new UK factory, these are grave losses to our economy.”

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At the latest EU summit, negotiators made little in the way of concrete progress, and leaders agreed to shelve a planned November meeting where a Brexit deal was supposed to be finalised – stating that “decisive progress” had not been made in time.

“Ninety percent of the accord on the table has been agreed with Britain,” Mr Barnier told French broadcaster Inter radio.

“I’m convinced a deal is necessary, I’m still not sure we’ll get one.”